

Davison Van Cleve PC

TEL (503) 241-7242 • FAX (503) 241-8160 • mail@dvclaw.com

Suite 2460
1000 SW Broadway
Portland, OR 97205

August 20, 2004

Via Electronic and U.S. Mail

Carole J. Washburn
Secretary
Washington Utilities & Transportation Commission
1300 S. Evergreen Park Drive S.W.
Olympia, WA 98504

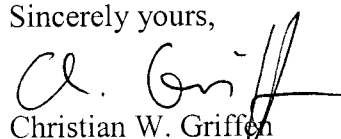
Re: In the Matter of Pacific Power & Light General Rate Increase of \$26.7
million (13.5%)
Docket No. UE-032065

Dear Ms. Washburn:

Enclosed please find the original and seventeen (17) copies of the Industrial Customers of Northwest Utilities' response to Bench Request No. 7 in the above-referenced matter.

Please return one file-stamped copy of the bench request in the self-addressed, stamped envelope provided. Thank you for your assistance.

Sincerely yours,



Christian W. Griffen

Enclosures

cc: Service List

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

DOCKET NO. UE-032065

ICNU'S RESPONSE TO BENCH REQUEST NO. 7

Bench Request No. 7:

ICNU's response to Bench Request No. 3 includes the table "NET OPERATING INCOME and RATE BASE." The figures in the Net Operating Income (Protocol) column of that table differ from the adjustments proposed on Table 1 in Mr. Falkenberg's testimony (Exhibit No. __ (RJF)-1CT, page 7). This appears to be true even after applying to the figures presented on the Table in Bench Request No. 3, the revenue conversion factor supported by either the company (1.69287) or the Commission staff (61.899%). Please reconcile this apparent inconsistency.

Response to Bench Request No. 7:

As noted in Footnote 1 on page 2 of Exhibit No. __ (RJF-1CT), Table 1 used an estimated composite Washington jurisdictional factor of 8.96%, derived from Exhibit No. __ (JTW-3), page 5.1. This approach provides a very good, although not perfect, approximation of the impact on a particular jurisdiction of net changing power costs at the system level. In order to comply with the requirements of Bench Request No. 3, Mr. Falkenberg was required to perform a much more detailed calculation of the Washington jurisdictional allocation. As a result, the figures shown in the answer to Bench Request No. 3 differ from those on table 1 by a small amount. Mr. Falkenberg expects to file a revision to Table 1 and Exhibit No. __ (RJF-21) of his direct testimony reflecting this more detailed calculation. Based on this calculation, the Washington jurisdictional allocation of Mr. Falkenberg's adjustments are changed by a small amount. Revised answers to Bench Request No. 3 are also provided therein.

Please note that in the case of \$7.5 million Gadsby CT rate base adjustment (Adjustment No. 25 in the answer to Bench Request No. 3) Mr. Falkenberg has revised his results at the system level and jurisdictional level. However, that adjustment is later reversed in Adjustment 29 (Gadsby/West Valley Treatment) and therefore has no impact on the overall recommendation made by ICNU.

Please note that in all cases except Adjustments 25 and 29, Mr. Falkenberg's adjustments are reductions to expense items. In those cases, Mr. Falkenberg believes the correct revenue expansion factor is $1/(1-\text{composite tax rate})$.^{1/} In the response to Bench Request 3, the state tax used in the Protocol methodology was not included for Mr. Falkenberg or Mr. Schoenbeck's adjustments. The revised answer to Bench Request 3 reflects this change.

^{1/} The tax rate in these instances includes the effect of both the federal state taxes.

Date: August 20, 2004
Respondent: Randall Falkenberg
Witness: Randall Falkenberg

PacifiCorp Results of Operations-Washington
For the 12 months Ended March 31, 2003

Bench Request ICNU/Part 1
NET OPERATING INCOME and RATE BASE
Revised August 20, 2004

DESCRIPTION	REVENUES	EXPENSES	NET OP. INCOME	RATE BASE
	Protocol	Protocol	Protocol	Protocol
Unadjusted Operating Revenues	291,202,007			
Unadjusted O&M Expenses, Depr, Amort, Misc. Rev/Exp.		238,919,181		
Unadjusted Income Taxes in Exp. & Rate Base		14,547,854		\$ (64,317,270)
Unadjusted Rate Base Other Than Income Taxes				\$ 653,473,951
Net Operating Income/Rate Base (Per Books)	\$ 291,202,007	\$ 253,467,035	\$ 37,734,972	\$ 589,156,681
BPA Settlement Adj.	-	(373,525)	\$ 373,525	
Morgan Stanley Call	-	(130,048)	\$ 130,048	
Sempra Call	-	(46,729)	\$ 46,729	
West Valley	-	(169,641)	\$ 169,641	
P4 Production	-	(26,459)	\$ 26,459	
Aquila hydro hedge	-	(95,273)	\$ 95,273	
Aron Temperature Hedge	-	(114,328)	\$ 114,328	
Morgan Stanley Temp Hedge	-	(97,995)	\$ 97,995	
Fort James	(20,383)	(41,967)	\$ 21,583	
Increase Market Size Limit	1,439,574	919,600	\$ 519,973	
Outage Rate Adjustments			\$ -	
Hunter Outage	413,052	8,078	\$ 404,975	
CT Outage Rates	91,721	53,687	\$ 38,034	
JB 4 Outage	26,407	1,598	\$ 24,810	
Hunter Transformer Outages	118,471	1,782	\$ 110,758	
Blundell Deration	11,091	7,713	\$ 10,405	
Hunter 3 Outage (Prudence)	18,664	685	\$ 17,979	
DJ 3 Catastrophic Outage	57,870	(4,590)	\$ 62,460	
HDN - 1 Catastrophic Outage	20,176	2,761	\$ 17,415	
Colstip 4 Catastrophic Outage	25,049	(1,031)	\$ 26,080	
Other Company Error Outages	-	(32,691)	\$ 32,691	
Wyodak Capacity	106,734	11,017	\$ 95,717	
CT Dispatch Logic/Quick Start	-	(69,003)	\$ 69,003	
Emergency Energy Adjustment	-	(154,941)	\$ 154,941	
Gadsby/ West Valley Heat Rates	-	(168,292)	\$ 168,292	
Gadsby CT Rate Base	-	(4,407)	\$ 4,407	\$ (658,050)
WAPA Transmission Contract	487,125	184,869	\$ 302,256	
Full Hydro Fuel Credit	-	(532,591)	\$ 532,591	
Reserves and Load Following	-	(1,195,215)	\$ 1,195,215	
Gadsby/West Valley Treatment	(4,604,169)	(4,826,214)	\$ 222,045	\$ (5,775,739)
Steam Maintenance Adjustment	-	(534,242)	\$ 534,242	
Snake River Litigation	-	(84,396)	\$ 84,396	
Multi-State Process	-	(69,060)	\$ 69,060	
RTO Development	-	(177,771)	\$ 177,771	
Hive Down	-	(19,270)	\$ 19,270	
Personal Income Tax Fees and Payments	-	(10,543)	\$ 10,543	
Accounting: Corporate and Non-Regulated	-	(215,101)	\$ 215,101	
SUBTOTAL Adjustments	(1,808,619)	(8,003,532)	\$ 6,196,010	\$ (6,433,789)
Adjusted Total (Normalized Results at present rates)	\$ 289,393,388	\$ 245,463,503	\$ 43,930,983	\$ 582,722,892

State of Washington

Electric Utility Results of Operations
for the twelve months ended March 2003

	Total Ratemaking Adjustments	1.0 BPA Settlement Adjustment	2.0 Morgan Stanley Call	3.0 Sempra Call	4.0 West Valley Reversed**	5.0 P4 Production	6.0 Aquila hydro Hedge	7.0 Aron Temperature Hedge	8.0 Morgan Stanley Temp. Hedge
Operating Revenues:									
1 General Business Revenues	-								
2 Interdepartmental	-								
3 Special Sales	(2,295,744)								
4 Other operating revenues	487,125								
5 Total Operating Revenues	<u>(1,808,619)</u>	-	-	-	-	-	-	-	-
6									
7									
Operating Expenses:									
8 Steam Production	(5,478,896)								
9 Nuclear Production	-								
10 Hydro Production	-								
11 Other Power Supply	(5,183,318)	(601,984)	(209,589)	(75,310)	(273,398)	(42,642)	(153,545)	(184,254)	(157,932)
12 Transmission	26,368								
13 Distribution	-								
14 Customer Accounting	-								
15 Customer Service & Info	-								
16 Sales	-								
17 Administrative & General	(928,527)								
18 Total O&M Expense	<u>(11,564,373)</u>	<u>(601,984)</u>	<u>(209,589)</u>	<u>(75,310)</u>	<u>(273,398)</u>	<u>(42,642)</u>	<u>(153,545)</u>	<u>(184,254)</u>	<u>(157,932)</u>
19 Depreciation	(46,706)								
20 Amortization	-								
21 Taxes Other than Income	(181,445)								
22 Income Taxes: Federal	3,335,723	201,129	70,026	25,162	91,345	14,247	51,301	61,561	52,767
23 : State	453,269	27,330	9,515	3,419	12,412	1,936	6,971	8,365	7,170
24 Deferred Income Taxes	-								
25 Investment Tax Credit Adj.	-								
26 Misc. Revenue & Expense	-								
27 Total Operating Expenses:	<u>(8,003,532)</u>	<u>(373,525)</u>	<u>(130,048)</u>	<u>(46,729)</u>	<u>(169,641)</u>	<u>(26,459)</u>	<u>(95,273)</u>	<u>(114,328)</u>	<u>(97,995)</u>
28	487,125								
29 Operating Revenue for Return:	<u>6,194,914</u>	<u>373,525</u>	<u>130,048</u>	<u>46,729</u>	<u>169,641</u>	<u>26,459</u>	<u>95,273</u>	<u>114,328</u>	<u>97,995</u>
30									
Rate Base:									
31									
32 Electric Plant in Service	(6,433,789)								
33 Plant Held for Future Use	-								
34 Misc. Deferred Debits	-								
35 Electric Plant Acq Adj	-								
36 Nuclear Fuel	-								
37 Prepayments	-								
38 Fuel Stock	-								
39 Material & Supplies	-								
40 Working Capital	-								
41 Weatherization Loans	-								
42 Misc. Rate Base	-								
43 Total Electric Plant:	<u>(6,433,789)</u>	-	-	-	-	-	-	-	-
44									
Deductions:									
45									
46 Accum. Prov. for Depreciation	-								
47 Accum. Prov. for Amortization	-								
48 Accum. Deferred Income Tax	-								
49 Unamortized ITC	-								
50 Customer Advances for Const.	-								
51 Customer Service Deposits	-								
52 Miscellaneous Deductions	-								
53									
54 Total Deductions:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
55									
56 Total Rate Base:	<u>(6,433,789)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
57									
58									
59									
60 TAX CALCULATION					4.54%				
61 Per Company					35.00%				
62									
63 Operating Revenue	9,983,905	601,984	209,589	75,310	273,398	42,642	153,545	184,254	157,932
64 Other Deductions	-								
65 Interest (AFUDC)	-								
66 Interest	-								
67 Schedule "M" additions									
68 Schedule "M" deductions									
69									
70 Income Before Tax	9,983,905	601,984	209,589	75,310	273,398	42,642	153,545	184,254	157,932
71 State Income Tax	453,269	27,330	9,515	3,419	12,412	1,936	6,971	8,365	7,170
72 Taxable Income	<u>9,530,636</u>	<u>574,654</u>	<u>200,074</u>	<u>71,891</u>	<u>260,986</u>	<u>40,706</u>	<u>146,574</u>	<u>175,889</u>	<u>150,762</u>
73 Adjustments to FIT	-								
74 Federal Income Tax	<u>3,335,723</u>	<u>201,129</u>	<u>70,026</u>	<u>25,162</u>	<u>91,345</u>	<u>14,247</u>	<u>51,301</u>	<u>61,561</u>	<u>52,767</u>

	9.0 Fort James	10.0 Market Size Limit	11.0 Hunter Outage	12.0 CT Outage Rates	13.0 JB 4 Outage	14.0 Hunter Transformer Outage	15.0 Blundell Deration	16.0 Hunter 3 Outage (Prudence)
Operating Revenues:								
1 General Business Revenues								
2 Interdepartmental								
3 Special Sales	(20,383)	1,439,574	413,052	91,721	26,407	118,471	11,091	18,664
4 Other operating revenues								
5 Total Operating Revenues	(20,383)	1,439,574	413,052	91,721	26,407	118,471	11,091	18,664
6								
7	Operating Expenses:							
8 Steam Production	8,804	417,069	6,694	61,297	6,576	1,266	(5,198)	624
9 Nuclear Production								
10 Hydro Production								
11 Other Power Supply	(63,202)	179,451	(257,148)	(33,889)	(21,242)	(73,498)	10,797	(11,339)
12 Transmission	(770)	5,049	10,837	3,017	1,090	2,644	49	404
13 Distribution								
14 Customer Accounting								
15 Customer Service & Info								
16 Sales								
17 Administrative & General								
18 Total O&M Expense	(55,168)	601,569	(239,617)	30,425	(13,577)	(69,588)	5,647	(10,311)
19 Depreciation								
20 Amortization	-							
21 Taxes Other than Income								
22 Income Taxes: Federal	11,622	279,986	218,063	20,480	13,359	62,832	1,819	9,681
23 : State	1,579	38,045	29,631	2,783	1,815	8,538	247	1,315
24 Deferred Income Taxes								
25 Investment Tax Credit Adj.								
26 Misc. Revenue & Expense								
27 Total Operating Expenses:	(41,967)	919,600	8,078	53,687	1,598	1,782	7,713	685
28								
29 Operating Revenue for Return:	21,583	519,973	404,975	38,034	24,810	116,689	3,378	17,979
30								
31	Rate Base:							
32 Electric Plant in Service								
33 Plant Held for Future Use								
34 Misc. Deferred Debits								
35 Electric Plant Acq Adj								
36 Nuclear Fuel								
37 Prepayments								
38 Fuel Stock								
39 Material & Supplies								
40 Working Capital								
41 Weatherization Loans								
42 Misc. Rate Base								
43 Total Electric Plant:	-	-	-	-	-	-	-	-
44								
45	Deductions:							
46 Accum. Prov. for Depreciation								
47 Accum. Prov. for Amortization								
48 Accum. Deferred Income Tax								
49 Unamortized ITC								
50 Customer Advances for Const.								
51 Customer Service Deposits								
52 Miscellaneous Deductions								
53								
54 Total Deductions:	-	-	-	-	-	-	-	-
55								
56 Total Rate Base:	-	-	-	-	-	-	-	-
57								
58								
59	TAX CALCULATION							
60								
61 Per Company								
62								
63 Operating Revenue	34,785	838,004	652,669	61,297	39,984	188,059	5,443	28,975
64 Other Deductions								
65 Interest (AFUDC)								
66 Interest								
67 Schedule "M" additions								
68 Schedule "M" deductions								
69								
70 Income Before Tax	34,785	838,004	652,669	61,297	39,984	188,059	5,443	28,975
71 State Income Tax	1,579	38,045	29,631	2,783	1,815	8,538	247	1,315
72 Taxable Income	33,205	799,959	623,038	58,514	38,169	179,521	5,196	27,660
73 Adjustments to FIT								
74 Federal Income Tax	11,622	279,986	218,063	20,480	13,359	62,832	1,819	9,681

	17.0 DJ 3 Catastrophic Outage	18.0 HDN - 1 Catastrophic Outage	19.0 Col-4 Catastrophic Outage	20.0 Other Company Error Outages	21.0 Wyodak Capacity	22.0 CT Dispatch Logic Adjustment	23.0 Emergency Energy Adjustment
Operating Revenues:							
1 General Business Revenues							
2 Interdepartmental							
3 Special Sales	57,870	20,176	25,049		106,734		
4 Other operating revenues							
5 Total Operating Revenues	57,870	20,176	25,049	-	106,734	-	-
6							
7							
Operating Expenses:							
8 Steam Production	(1,760)	6,613	1,942		8,472		
9 Nuclear Production							
10 Hydro Production							
11 Other Power Supply	(43,878)	(13,275)	(19,820)	(52,686)	(57,534)	(111,207)	(249,708)
12 Transmission	2,846	(1,229)	896		1,535		
13 Distribution							
14 Customer Accounting							
15 Customer Service & Info							
16 Sales							
17 Administrative & General							
18 Total O&M Expense	(42,792)	(7,890)	(16,982)	(52,686)	(47,527)	(111,207)	(249,708)
19 Depreciation							
20 Amortization							
21 Taxes Other than Income							
22 Income Taxes: Federal	33,632	9,377	14,043	17,603	51,540	37,155	83,430
23 : State	4,570	1,274	1,908	2,392	7,003	5,049	11,337
24 Deferred Income Taxes							
25 Investment Tax Credit Adj.							
26 Misc. Revenue & Expense							
27 Total Operating Expenses:	(4,590)	2,761	(1,031)	(32,691)	11,017	(69,003)	(154,941)
28							
29 Operating Revenue for Return:	62,460	17,415	26,080	32,691	95,717	69,003	154,941
30							
Rate Base:							
31							
32 Electric Plant in Service							
33 Plant Held for Future Use							
34 Misc. Deferred Debits							
35 Electric Plant Acq Adj							
36 Nuclear Fuel							
37 Prepayments							
38 Fuel Stock							
39 Material & Supplies							
40 Working Capital							
41 Weatherization Loans							
42 Misc. Rate Base							
43 Total Electric Plant:	-	-	-	-	-	-	-
44							
Deductions:							
45							
46 Accum. Prov. for Depreciation							
47 Accum. Prov. for Amortization							
48 Accum. Deferred Income Tax							
49 Unamortized ITC							
50 Customer Advances for Const.							
51 Customer Service Deposits							
52 Miscellaneous Deductions							
53							
54 Total Deductions:	-	-	-	-	-	-	-
55							
56 Total Rate Base:	-	-	-	-	-	-	-
57							
58							
59							
TAX CALCULATION							
60							
61 Per Company							
62							
63 Operating Revenue	100,662	28,066	42,031	52,686	154,261	111,207	249,708
64 Other Deductions							
65 Interest (AFUDC)							
66 Interest							
67 Schedule "M" additions							
68 Schedule "M" deductions							
69							
70 Income Before Tax	100,662	28,066	42,031	52,686	154,261	111,207	249,708
71 State Income Tax	4,570	1,274	1,908	2,392	7,003	5,049	11,337
72 Taxable Income	96,092	26,792	40,123	50,294	147,257	106,158	238,371
73 Adjustments to FIT							
74 Federal Income Tax	33,632	9,377	14,043	17,603	51,540	37,155	83,430

	24.0 Gadsby/ West Valley Heat Rates	25.0 Gadsby CT Rate Base**	26.0 WAPA Transmission Contract	27.0 Full Hydro Fuel Credit	28.0 Reserves and Load Following	29.0 Gadsby/West Valley Treatment	30.0 Steam Maintenance Adjustment
Operating Revenues:							
1 General Business Revenues							
2 Interdepartmental							
3 Special Sales						(4,604,169)	
4 Other operating revenues			487,125				
5 Total Operating Revenues	-	-	487,125	-	-	(4,604,169)	
6							
Operating Expenses:							
7							
8 Steam Production	(271,225)			(858,339)		(4,000,732)	(861,000)
9 Nuclear Production							
10 Hydro Production							
11 Other Power Supply					(1,926,243)	(740,242)	
12 Transmission							
13 Distribution							
14 Customer Accounting							
15 Customer Service & Info							
16 Sales							
17 Administrative & General							
18 Total O&M Expense	(271,225)	-	-	(858,339)	(1,926,243)	(4,740,974)	(861,000)
19 Depreciation		(4,777)				(41,929)	
20 Amortization		(2,325)				(179,120)	
21 Taxes Other than Income		90,619	162,753	286,780	643,577	119,562	287,669
22 Income Taxes: Federal		12,314	22,115	38,969	87,451	16,247	39,089
23 : State		322					
24 Deferred Income Taxes							
25 Investment Tax Credit Adj.							
26 Misc. Revenue & Expense							
27 Total Operating Expenses:	(168,292)	(4,407)	184,869	(532,591)	(1,195,215)	(4,826,214)	(534,242)
28							
29 Operating Revenue for Return:	168,292	4,407	302,256	532,591	1,195,215	222,045	534,242
30							
Rate Base:							
31							
32 Electric Plant in Service		(658,050)				(5,775,739)	
33 Plant Held for Future Use							
34 Misc. Deferred Debits							
35 Electric Plant Acq Adj							
36 Nuclear Fuel							
37 Prepayments							
38 Fuel Stock							
39 Material & Supplies							
40 Working Capital							
41 Weatherization Loans							
42 Misc. Rate Base							
43 Total Electric Plant:	-	(658,050)	-	-	-	(5,775,739)	
44							
Deductions:							
45							
46 Accum. Prov. for Depreciation							
47 Accum. Prov. for Amortization							
48 Accum. Deferred Income Tax							
49 Unamortized ITC							
50 Customer Advances for Const.							
51 Customer Service Deposits							
52 Miscellaneous Deductions							
53							
54 Total Deductions:	-	-	-	-	-	-	
55							
56 Total Rate Base:	-	(658,050)	-	-	-	(5,775,739)	
57							
58							
59							
TAX CALCULATION							
60							
61 Per Company							
62							
63 Operating Revenue	271,225	7,102	487,125	858,339	1,926,243	357,854	861,000
64 Other Deductions							
65 Interest (AFUDC)							
66 Interest							
67 Schedule "M" additions							
68 Schedule "M" deductions							
69							
70 Income Before Tax	271,225	7,102	487,125	858,339	1,926,243	357,854	861,000
71 State Income Tax	12,314	322	22,115	38,969	87,451	16,247	39,089
72 Taxable Income	258,912	6,779	465,009	819,371	1,838,792	341,607	821,911
73 Adjustments to FIT							
74 Federal Income Tax	90,619	2,373	162,753	286,780	643,577	119,562	287,669

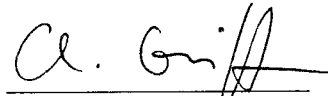
	31.0	32.0	33.0	34.0	35.0	36.0
	Snake River Litigation	Multi-State Process	RTO Development	Hive Down	Personal Income Tax Fees and Payments	Accounting: Corporate and Non-Regulated
Operating Revenues:						
1 General Business Revenues						
2 Interdepartmental						
3 Special Sales						
4 Other operating revenues						
5 Total Operating Revenues	-	-	-	-	-	-
6						
7						
Operating Expenses:						
8 Steam Production						
9 Nuclear Production						
10 Hydro Production						
11 Other Power Supply						
12 Transmission						
13 Distribution						
14 Customer Accounting						
15 Customer Service & Info						
16 Sales						
17 Administrative & General	(136,015)	(111,300)	(286,501)	(31,057)	(16,992)	(346,663)
18 Total O&M Expense	(136,015)	(111,300)	(286,501)	(31,057)	(16,992)	(346,663)
19 Depreciation						
20 Amortization						
21 Taxes Other than Income						
22 Income Taxes: Federal	45,444	37,186	95,723	10,376	5,677	115,824
23 : State	6,175	5,053	13,007	1,410	771	15,739
24 Deferred Income Taxes						
25 Investment Tax Credit Adj.						
26 Misc. Revenue & Expense						
27 Total Operating Expenses:	(84,396)	(69,060)	(177,771)	(19,270)	(10,543)	(215,101)
28						
29 Operating Revenue for Return:	84,396	69,060	177,771	19,270	10,543	215,101
30						
Rate Base:						
31						
32 Electric Plant in Service						
33 Plant Held for Future Use						
34 Misc. Deferred Debits						
35 Electric Plant Acq Adj						
36 Nuclear Fuel						
37 Prepayments						
38 Fuel Stock						
39 Material & Supplies						
40 Working Capital						
41 Weatherization Loans						
42 Misc. Rate Base						
43 Total Electric Plant:						
44						
45						
Deductions:						
46 Accum. Prov. for Depreciation						
47 Accum. Prov. for Amortization						
48 Accum. Deferred Income Tax						
49 Unamortized ITC						
50 Customer Advances for Const.						
51 Customer Service Deposits						
52 Miscellaneous Deductions						
53						
54 Total Deductions:						
55						
56 Total Rate Base:						
57						
58						
59						
TAX CALCULATION						
60						
61 Per Company						
62						
63 Operating Revenue	136,015	111,300	286,501	31,057	16,992	346,663
64 Other Deductions						
65 Interest (AFUDC)						
66 Interest						
67 Schedule "M" additions						
68 Schedule "M" deductions						
69						
70 Income Before Tax	136,015	111,300	286,501	31,057	16,992	346,663
71 State Income Tax	6,175	5,053	13,007	1,410	771	15,739
72 Taxable Income	129,840	106,247	273,494	29,647	16,220	330,925
73 Adjustments to FIT						
74 Federal Income Tax	45,444	37,186	95,723	10,376	5,677	115,824

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing Bench Request No. 7 of the Industrial Customers of Northwest Utilities upon the parties, shown below, listed on the official service list in UE-032065, by causing the same to be mailed, postage-prepaid, through the U.S. Mail, as well as electronically via e-mail.

DATED at Portland, Oregon this 20th day of August, 2004.

Davison Van Cleve, P.C.


Christian W. Griffen

Christy Omohundro
PacifiCorp
825 NE Multnomah, Suite 800
Portland, OR 97232

Robert Cedarbaum
Washington Utilities & Trans. Comm'n
1400 S. Evergreen Park Drive S.W.
Olympia, WA 98504

Stephen Hall
Stoel Rives L.L.P.
Standard Insurance Center
900 SW Fifth Ave., Suite 2600
Portland, OR 97204-1268

James M. Van Nostrand
Stoel Rives L.L.P.
600 University Street, Suite 3600
Seattle, WA 98101-3197

Shannon Smith
Washington Utilities & Trans. Comm'n
1400 S. Evergreen Park Dr., SW
P.O. Box 40128
Olympia, WA 98504-0128

John O'Rourke
Citizens' Utility Alliance
212 W. Second Ave.,
Suite 100
Spokane, WA 99201

Ken Canon
Industrial Customers of NW Utilities
825 NE Multnomah, Suite 180
Portland, OR 97232-2158

Ralph Cavanagh
Natural Resources Defense Council
71 Stevenson Street, Suite 1825
San Francisco, CA 94105

Robert Cromwell, Jr.
Wash. State Attorney General's Office
900 Fourth Avenue, Suite 2000
Seattle, WA 98164-1012

Chuck Eberdt
The Energy Project
1701 Ellis Street
Bellingham, WA 98225

Randall Falkenberg
8351 Roswell Rd.
PMB 362
Atlanta, GA 30350